Ministry of Power has been requested to enhance allocation of Electricity to States like Punjab and Haryana. The Government is closely monitoring the situation on day to day basis. The States have also been advised to identify the pockets of distress, if any, and take remedial measures. The Ministry also intends to increase the allocation under National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY) and give more flexibility to States to use these Schemes to meet the contingent situation particularly for purchase and distribution of seeds for alternate crops/varieties and support for micro-irrigation etc.

Remunerative price for agriculture produce

721. SHRI MAHENDRA MOHAN: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government is aware that day by day agriculture is becoming unremunerative and farmers are failing into debt trap;

(b) if so, what has been done by Government to provide better returns for their crops;

(c) what has been done by Government to teach farmers growing organic crops and pesticides free farming methods which may give them better price; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (PROF. K.V. THOMAS): (a) and (b) Minimum Support Prices (MSPs) fixed by the Government provides remunerative . prices to farmers. The Government's price policy for agricultural commodities seeks to ensure • remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices.

The Commission for Agricultural Costs & Prices (CACP), while formulating its recommendations on price policy considers a number of important factors which include cost of production. The cost of production taken into account includes all paid out costs, besides cash and kind expenses on use of material inputs, irrigation charges including cost of diesel/electricity for operation of pump sets, etc. Besides, cost of production includes imputed value of wages of family labour and rent for owned land. The cost also covers depreciation of farm machinery and buildings. As such, the cost of production covers not only actual expenses in cash and kind but also imputed value of owned assets including land and family labour.

During 2008-09, MSP's of Kharif crops were raised substantially over their 2007-08 level. The increase ranged between 29 percent in case of Arhar (Tur) and 94 percent in case of Nigerseed. In the case of rabi crops of 2008-09 season maximum increase in MSP of 10 percent was given for Masaur (Lentil). To be remunerative, the MSPs fixed for 2008-09 season cover the all-India cost of production as projected by CACP for the respective crops. MSP is in the nature of a minimum guaranteed price for the farmers offered by the Government for their produce in case the market

prices fall below that level. If the market offers higher price than MSP, the farmers are free to sell at that price. In order to improve availability of credit to farmers, the Government in June, 2004 announced measures for doubling of flow of credit to agriculture sector within a period of three years. During 2007-08, the Banks disbursed Rs.2,54,657 crore against the target of Rs.2,25,000 crore.

(c) and (d) Through the extension activities farmers have been educated to adopt modern agricultural practices including growing organic crops and pesticides free-farming methods. The India Council of Agricultural Research (ICAR) through its 567 Krishi Vigyan Kendras (KVK) conducts number of training programmes for farmers on various aspects including production and use of bio and organic products/inputs.

Retail expansion plan of NAFED

722. SHRI MOHD. ALI KHAN: Will the Minister of AGRICULTURE be pleased to state:

(a) whether NAFED plans retail expansion through franchise route;

(b) if so, the details thereof especially in Andhra Pradesh;

(c) the aims and objective of such plans; and

(d) the implementation stage thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (PROF. K.V. THOMAS): (a) and (b) Yes, Madam. NAFED has planned retail expansion through appointment of franchisees to run retail outlets in the name of NAFED Bazaar for sale of consumer products. NAFED has laid down guidelines for appointment of franchisees. Any party from any State including Andhra Prdesh can apply in accordance with the guidelines. It is proposed to start appointment of franchisees in Delhi and move to other places depending upon its success.

(c) The aims and objective of this plan is to make available quality products of daily need at reasonable price to the consumers.

(d) The implementation of NAFED's plan of retail expansion is at preliminary stage. Offers from interested parties have been invited which will be evaluated as per prescribed guidelines.

Rising Agricultural Input Cost

723. SHRI N.R. GOVINDARAJAR: Will the Minister of AGRICULTURE be pleased to state:

(a) the rise in Agricultural input cost and its effect on the farmers in our country;

(b) whether the interest of farmers in Agriculture sector is declining as a result thereof;

(c) if so, the steps being taken to check the rise in Agricultural input cost;